

## TABLE OF CONTENTS

<b>TITLE PAGE</b> .....	<b>i</b>
<b>APPROVAL OF THESIS</b> .....	<b>ii</b>
<b>APPROVAL OF EXAMINATION PASSAGE</b> .....	<b>iii</b>
<b>STATEMENT OF ORIGINALITY</b> .....	<b>iv</b>
<b>ABSTRACT</b> .....	<b>v</b>
<b>ABSTRAKSI</b> .....	<b>vi</b>
<b>MOTTO AND DEDICATION</b> .....	<b>vii</b>
<b>FOREWORD</b> .....	<b>viii</b>
<b>TABLE OF CONTENTS</b> .....	<b>x</b>
<b>LIST OF TABLES</b> .....	<b>xiv</b>
<b>LIST OF FIGURES</b> .....	<b>xv</b>
<b>LIST OF APPENDICES</b> .....	<b>xvi</b>
<b>CHAPTER I INTRODUCTION</b> .....	<b>1</b>
<b>1.1. Research Background</b> .....	<b>1</b>
<b>1.2. Problem Statement</b> .....	<b>10</b>
<b>1.3. Research Objectives</b> .....	<b>11</b>
<b>1.4. Research Contributions</b> .....	<b>12</b>
<b>1.5. Structure of Thesis</b> .....	<b>13</b>
<b>CHAPTER II LITERATURE REVIEW</b> .....	<b>14</b>
<b>2.1. Theoretical Background</b> .....	<b>14</b>
2.1.1. Hexagon fraud theory .....	<b>14</b>
2.1.2. Financial statement fraud .....	<b>19</b>
<b>2.2. Prior Research</b> .....	<b>21</b>
<b>2.3. Research Framework</b> .....	<b>30</b>
<b>2.4. Hypotheses Formulation</b> .....	<b>32</b>

2.4.1. Stimulus proxied by financial stability has a positive effect on financial statement fraud. ....	32
2.4.2. Stimulus proxied by external pressure has a positive effect on financial statement fraud. ....	33
2.4.3. Stimulus proxied by financial target has a positive effect on financial statement fraud. ....	35
2.4.4. Capability proxied by director change has a positive effect on financial statement fraud. ....	36
2.4.5. Collusion proxied by political connection has a positive effect on financial statement fraud. ....	38
2.4.6. Opportunity proxied by nature of industry has a positive effect on financial statement fraud. ....	39
2.4.7. Opportunity proxied by effective monitoring has a negative effect on financial statement fraud. ....	41
2.4.8. Rationalization proxied by auditor change has a positive effect on financial statement fraud. ....	42
2.4.9. Ego proxied by number of CEO's pictures has a positive effect on financial statement fraud. ....	44
<b>CHAPTER III RESEARCH METHODS.....</b>	<b>46</b>
<b>3.1. Research Design.....</b>	<b>46</b>
<b>3.2. Research Population and Sampling.....</b>	<b>46</b>
<b>3.3. Research Variables and Operational Definition of Variables.....</b>	<b>48</b>
3.3.1. Dependent variable.....	48
3.3.2. Independent variables.....	49
<b>3.4. Research Instruments.....</b>	<b>55</b>
<b>3.5. Research Location and Time.....</b>	<b>55</b>
<b>3.6. Data Collection Methods.....</b>	<b>55</b>
<b>3.7. Data Analysis Method.....</b>	<b>57</b>

3.7.1. Meta-analysis.....	57
<b>CHAPTER IV RESULTS AND DISCUSSIONS .....</b>	<b>67</b>
<b>4.1. Description of Research Objects .....</b>	<b>67</b>
4.1.1. Included studies .....	67
4.1.2. Heterogeneity test.....	68
<b>4.2. Results .....</b>	<b>70</b>
4.2.1. Summary Effect.....	70
4.2.2. Publications Bias .....	72
<b>4.3. Discussions .....</b>	<b>78</b>
4.3.1. The summary effect of the relationship between stimulus proxied by financial stability and financial statement fraud.....	78
4.3.2. The summary effect of the relationship between stimulus proxied by external pressure and financial statement fraud. ....	79
4.3.3. The summary effect of the relationship between stimulus proxied by financial target and financial statement fraud. ....	80
4.3.4. The summary effect of the relationship between capability proxied by director change and financial statement fraud.....	81
4.3.5. The summary effect of the relationship between collusion proxied by political connection and financial statement fraud. ....	83
4.3.6. The summary effect of the relationship between opportunity proxied by nature of industry and financial statement fraud. ....	84
4.3.7. The summary effect of the relationship between opportunity proxied by effective monitoring and financial statement fraud.....	85
4.3.8. The summary effect of the relationship between rationalization proxied by auditor change and financial statement fraud. ....	86
4.3.9. The summary effect of the relationship between ego proxied by number of CEO's pictures and financial statement fraud. ....	87
<b>CHAPTER V CONCLUSIONS.....</b>	<b>88</b>

<b>5.1. Research Conclusions and Implications</b> .....	<b>88</b>
<b>5.2. Research Limitations and Suggestions</b> .....	<b>90</b>
<b>BIBLIOGRAPHY</b> .....	<b>91</b>
<b>APPENDIX</b> .....	<b>97</b>

